

Tie vote blocks CHIP expansion

By MIKE DENNISON - IR State Bureau - 02/19/09

In one of the first major budget salvos of the session, Republicans on a budget panel Wednesday refused to fund the voter-approved expansion of health insurance for 30,000 Montana kids, saying the program should be delayed for two years.

Sen. Dave Lewis, R-Helena, said with the state's finances worsening, Republicans don't want to launch an expensive new program — even if voters did approve it last November.

"We don't want to go in and cut services for senior citizens (and others) to pay for starting a new program," he said.

Lewis and three other Republicans on the Joint Appropriations Subcommittee on Health and Human Services voted against funding the Healthy Montana Kids program, blocking the money on a 4-4 vote.

Although the vote is only a first step in the lengthy budgeting process, Republicans made it clear Wednesday they intend to question whether the program should be funded — and to start looking for ways to scale back state spending for the next two years.

"In order (for the budget) to remain structurally sound, we're trying to find ways to cut ongoing expenses so we're not spending more than we're taking in, in the next biennium," said Sen. Keith Bales, R-Otter, who chairs the Senate Finance and Claims Committee.

In a separate but related action, another budget panel voted Wednesday to revoke a proposed \$13 million increase in a program that subsidizes health insurance for employees of small businesses. Two Democrats joined all four of that panel's Republicans in voting to strip out the money.

Leading Democrats blasted Wednesday's vote to delay funding Healthy Montana Kids, saying it's not the right place to start trying to cut the budget.

"We shouldn't start with the one thing that Montana families need and voted for," said Senate Minority Leader Carol Williams, D-Missoula.

Seventy percent of Montana voters voted for Initiative 155 last November to expand the Children's Health Insurance Plan and Medicaid, two government-funded insurance programs for low- and middle-income families. The state and federal government share the costs of the programs.

The I-155 expansion, known as the Healthy Montana Kids program, would extend health insurance to as many as 30,000 Montana children not currently covered.

Ballot initiatives, however, cannot appropriate money. That task belongs to the Legislature.

Democrats on the eight-member subcommittee that makes initial recommendations on human-service budgets made a motion Wednesday to fund I-155, beginning this year.

That motion failed on a party-line, 4-4 vote, with Republicans on the panel voting against it. The expanded health coverage in I-155 is estimated to cost the state about \$20 million a year.

Voting for the funding were Sens. Dave Wanzonried, D-Missoula, and Trudi Schmidt, D-Great Falls; and Reps. Carolyn Pease-Lopez, D-Billings and Teresa Henry, D-Missoula.

Voting against it were Lewis, Sen. John Esp, R-Big Timber, and Reps. Penny Morgan, R-Billings, and Don Roberts, R-Billings.

Lewis said Republicans plan to introduce a bill that will delay implementation of I-155 until 2011, after the next Legislature.

Lewis said while voters did approve I-155, they did so without knowing how the state's budget picture would deteriorate.

"People voted for that when we had a billion-dollar surplus," he said. "Now we're taking \$250 million out of the revenue."

But Wanzenried said he thinks voters knew what they were doing when they approved I-155, expanding coverage to those who need it most despite the worsening economy.

"To argue that the voters didn't know what they were voting for is asinine," he said. "I'm completely outraged by this. We need to correct this and we need to correct this right now."

Ironically, the vote occurred just hours before legislators heard from U.S. Sen. Max Baucus, D-Mont., who was the architect of a huge increase in federal CHIP funding that was signed into law two weeks ago.

In his speech to lawmakers Wednesday afternoon, Baucus made a brief reference to the "little dust-up over the funding in a subcommittee," and said he was confident legislators would agree to the expansion.

"I'll be a little presumptuous here and I'll just thank you in advance for working it out," Baucus said.

Democratic state Auditor and Insurance Commissioner Monica Lindeen lambasted both of the subcommittee votes Wednesday to deny funding for Healthy Montana Kids and the insurance program for small

business.

"It is unfortunate that these legislators showed such indifference to the thousands of Montana kids and small businesses in need of affordable health care," she said. "In these economic times, this is a heavy blow to the pocketbooks of Montana families."